

**CONTRACT #6**  
**RFS # 318.66-050**

**Department of F&A/Bureau  
of TennCare**

**VENDOR:**  
**Tennessee Behavioral Health**



STATE OF TENNESSEE  
BUREAU OF TENNCARE  
729 CHURCH STREET  
NASHVILLE, TENNESSEE 37247-6501

February 1, 2005

Mr. Jim White, Director  
Fiscal Review Committee  
G-19 War Memorial Building  
Nashville, TN 37243

Attention: Leni Chick

RE: Bureau of TennCare Contracts Submitted for Fiscal Review

Dear Mr. White:

The Department of Finance and Administration, Bureau of TennCare, is submitting for review by the Fiscal Review Committee the behavioral health contract amendments listed below. Each of these contractors provide behavioral health services to enrollees in the TennCare Partners Program. These amendments transfer methadone benefits to the BHOs throughout the term of the contracts and changes the references to Early Periodic Screening, Diagnosis and Treatment (EPSDT) to TENNderCare. Additionally, these amendments modify appeals language to meet the Balanced Budget Act regulations included in CMS Checklist for Managed Care Contract Approval as well as broaden the Title VI language regarding Non-Compliance discrimination. The maximum liability and capitation rates have been adjusted as necessary due to changes in enrollment.

<u>Behavioral Health Organization</u>	<u>Current Funding</u>	<u>Amended Funding</u>
Tennessee Behavioral Health, Inc. FA-05-16089-01 Tennessee East Grand Region	\$260,132,262.00	\$254,586,310.00
Tennessee Behavioral Health, Inc. FA-01-14661-10	\$753,538,570.00	\$759,084,522.00
Premier Behavioral Health Systems Of Tennessee, LLC FA-01-14662-11	\$1,119,939,714.00	\$1,125,485,666.00

**Mr. Jim White, Director  
Fiscal Review Committee  
Page 2**

**The amendment of these contracts is necessary to continue with the Behavioral Health services provided by the TennCare Program. We would greatly appreciate the approval of these amendments by the Fiscal Review Committee.**

**Sincerely,**

A handwritten signature in cursive script, appearing to read "Keith Gaither".

**Keith Gaither  
Deputy Chief Financial Officer**

# REQUEST: NON-COMPETITIVE AMENDMENT

APPROVED

Commissioner of Finance & Administration  
Date:

Each of the request items below indicates specific information that must be individually detailed or addressed as required.  
A REQUEST CAN NOT BE CONSIDERED IF INFORMATION PROVIDED IS INCOMPLETE, NON-RESPONSIVE, OR DOES NOT  
CLEARLY ADDRESS EACH OF THE REQUIREMENTS INDIVIDUALLY AS REQUIRED.

RFS # 318.66-050

STATE AGENCY NAME : Department of Finance and Administration  
Bureau of TennCare

SERVICE CAPTION : Behavioral Health Organizations Providing Medically Necessary Behavioral Services to the  
TennCare/Medicaid Population in the East Grand Region

CONTRACT # FA-05-16089-00

PROPOSED AMENDMENT # 1

CONTRACTOR : Tennessee Behavioral Health, Inc.

CONTRACT START DATE : 07/01/2004

CURRENT, LATEST POSSIBLE END DATE : 12/31/2005  
(including ALL options to extend)

CURRENT MAXIMUM LIABILITY : \$260,132,262.00

LATEST POSSIBLE END DATE WITH PROPOSED AMENDMENT : 12/31/2005  
(including ALL options to extend)

TOTAL MAXIMUM COST WITH PROPOSED AMENDMENT : \$254,586,310.00  
(including ALL options to extend)

APPROVAL CRITERIA : (select one) ☒ use of Non-Competitive Negotiation is in the best interest of the state

☐ only one uniquely qualified service provider able to provide the service

ADDITIONAL REQUIRED REQUEST DETAILS BELOW (address each item immediately following the requirement text)

(1) description of the proposed additional service and amendment effects :

This amendment transfers methadone benefits to the BHO and changes the references to Early Periodic Screening, Diagnosis and Treatment (EPSDT) to TENNderCare. Additionally, this amendment modifies appeals language to meet the Balanced Budget Act regulations included in CMS Checklist for Managed Care Contract Approval as well as broaden the Title VI language regarding Non-Compliance discrimination. The maximum liability and capitation rates have been adjusted as necessary.

**(2) explanation of need for the proposed amendment :**

This amendment is needed in order to order to be compliant with CMS regulations regarding regarding non-compliance and Balanced Budget Act regulations and to transfer methadone benefit coverage to the BHO.

**(3) name and address of the proposed contractor's principal owner(s) :**  
(not required if proposed contractor is a state education institution)

Dr. Russ Petrella, Chief Operating Officer  
Magellan Behavioral Health  
199 Pomeroy Road, 3rd Floor  
Parsippany, New Jersey 07054

**(4) documentation of OIR endorsement of the Non-Competitive procurement request :**  
(required only if the subject service involves information technology)

select one:



Documentation Not Applicable to this Request



Documentation Attached to this Request

**(5) documentation of Department of Personnel endorsement of the Non-Competitive procurement request :**  
(required only if the subject service involves training for state employees)

select one:



Documentation Not Applicable to this Request



Documentation Attached to this Request

**(6) description of procuring agency efforts to identify reasonable, competitive, procurement alternatives rather than to use non-competitive negotiation :**

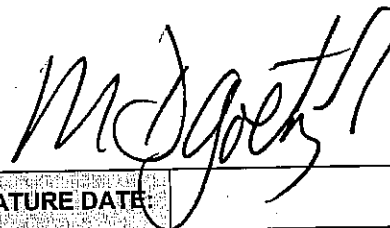
This contractor has been providing Behavioral Health Services for the State since 1996. This amendment to the existing contract will ensure that services to recipients will continue without interruption.

**(7) justification of why the F&A Commissioner should approve a Non-Competitive Amendment :**

The approval of this amendment by F&A will ensure the best interests of TennCare enrollees will be served. Based on the network of providers that Tennessee Behavioral Health, Inc. currently has, TennCare is confident that the modifications of this agreement will prevent any disruption of services to enrollees, as well as bring the contract in compliance with CMS regulations.

**AGENCY HEAD REQUEST SIGNATURE:**

(must be signed by the ACTUAL procuring agency head as detailed on the Signature Certification on file with OCR — signature by an authorized signatory will be accepted only in documented exigent circumstances)



Kul

SIGNATURE DATE:

**CONTRACT SUMMARY SHEET**

<b>RFS Number:</b>	318.66-050	<b>Contract Number:</b>	FA-05-16089-01
<b>State Agency:</b>	Department of Finance and Administration	<b>Division:</b>	TennCare
<b>Contractor:</b>		<b>Contractor Identification Number:</b>	
Tennessee Behavioral Health, Inc.		X	V-
			C-
		621621636 01	

**Service Description**


Behavioral Health Services to Enrollees in the TennCare Partners Program in Tennessee East Grand Region

<b>Contract Begin Date:</b>	<b>Contract End Date:</b>
7/1/2004	12/31/2005

<b>Allotment Code:</b>	<b>Cost Center:</b>	<b>Object Code:</b>	<b>Fund:</b>	<b>Grant:</b>	<b>Grant Code:</b>	<b>Subgrant Code:</b>
318.66	133	134	11	on STARS		

FY	State Funds	Federal Funds	Interdepartmental Funds	Other Funding	Total Contract Amount include ALL amendments
2005	\$59,243,280.00	\$108,632,276.00			\$167,875,556.00
2006	\$30,602,400.00	\$56,108,354.00			\$86,710,754.00
					\$0.00
					\$0.00
<b>Total:</b>	<b>\$89,845,680.00</b>	<b>\$164,740,630.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$254,586,310.00</b>

<b>CFDA Number:</b>	93.778 Department of Health and Human Services	<b>Check the box (below) ONLY if the answer is YES:</b>
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<b>State Fiscal Contact</b>		<b>Is the Contractor a SUBRECIPIENT? (per OMB A-133)</b>	X
<b>Name:</b>	Scott Pierce	<b>Is the Contractor a VENDOR? (per OMB A-133)</b>	
<b>Address:</b>	729 Church Street Nashville, TN	<b>Is the Fiscal Year Funding STRICTLY LIMITED?</b>	
<b>Phone:</b>	615-532-1362	<b>Is the Contractor on STARS?</b>	
<b>Procuring Agency Budget Officer Signature:</b>		<b>Is the Contractor's FORM W-9 ATTACHED?</b>	
		<b>Is the Contractor's Form W-9 Filed with Accounts?</b>	

**COMPLETE FOR ALL AMENDMENTS (only)**

	Base Contract & Prior Amendments	This Amendment ONLY
<b>End Date &gt;</b>	12/31/2005	
<b>FY:</b> 2005	\$173,421,508.00	-\$5,545,952.00
<b>FY:</b> 2006	\$86,710,754.00	
<b>FY:</b>		
<b>FY:</b>		
<b>FY:</b>		
<b>FY:</b>		
<b>Totals:</b>	<b>\$260,132,262.00</b>	<b>-\$5,545,952.00</b>

Pursuant to T.C.A., Section 9-6-113, I, M. D. Goetz, Jr., Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred.

RECEIVED

JUN 6 2005

## **AMENDMENT NUMBER 1**

### **PROVIDER RISK CONTRACT**

#### **BETWEEN**

**THE STATE OF TENNESSEE DEPARTMENT OF MENTAL HEALTH AND  
DEVELOPMENTAL DISABILITIES**

#### **AND**

**TENNESSEE BEHAVIORAL HEALTH, INC.  
IN THE EAST TENNESSEE GRAND REGION**

For and in consideration of the mutual promises herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree to clarify and/or amend the Provider Risk Agreement by and between the State of Tennessee Department of Mental Health and Developmental Disabilities, hereinafter referred to as **TDMHDD**, and Tennessee Behavioral Health, Inc. hereinafter referred to as the **Contractor**, as follows:

Titles and numbering of paragraphs used herein are for the purpose of facilitating use of reference only and shall not be construed to infer a contractual construction of language.

1. Section 1.2, Notice, shall be amended by deleting "Executive Director" following "Ann Boughtin" and replacing it with "General Manager".
2. Section 2.5.1, Table 1: Covered Behavioral Health Benefits shall be modified by deleting footnote number two and renumbering the remaining footnote accordingly.
3. The title to Section 2.5.4 shall be changed from "Early Periodic Screening, Diagnosis & Treatment" to "TENNderCare".
4. Section 2.5.4.1 shall be modified by adding the following after the first sentence, "The federal Early Periodic Screening, Diagnosis & Treatment (EPSDT) program shall be referred to as TENNderCare and all **Enrollee** and provider materials shall contain the term and logo for TENNderCare as of January 1, 2005."
5. With the exception of Section 2.5.4.1, all references to "Early Periodic Screening, Diagnosis & Treatment" and "EPSDT" in the CONTRACT shall be changed to "TENNderCare".
6. Beginning with the title to Section 3.2.2 and throughout the contract, statements regarding "cost sharing" or "cost share" responsibilities for **Enrollees** that do not already have the "TennCare" qualifier shall be clarified by adding TennCare before the word "cost".

7. Section 3.2.2.3.2 shall be amended by deleting the "; or" at the end of section and replacing it with a period.
8. Section 3.3.2.2 shall be amended by changing the last sentence to read, "The failure of the **Contractor** to act upon a request for prior approval within fourteen (14) calendar days, or twenty-one (21) calendar days if an extension is granted, shall result in automatic authorization of the requested, covered medically necessary service unless the service is contraindicated."
9. Section 3.4.2.1.1 shall be modified by adding the following two sentences to the beginning of the section, "The **Contractor** shall update or develop their member handbooks annually unless a longer period of time is approved by **TDMHDD**. As described by **TDMHDD**, the annual requirement to update and/or develop member handbooks may be delayed as the result of major modifications and/or reform efforts being implemented in the **TennCare** program."
10. Section 3.4.2.1.17 shall be amended by deleting the "and" at the end of the section, Section 3.4.2.1.18 shall be amended by deleting the period at the end and replacing it with "; and", and a new Section 3.4.2.1.19 shall be added that reads, "Notice to the **Enrollee** of the right to file a complaint as is provided for by Title VI or the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act of 1975, the Age Discrimination Act of 1975, the Omnibus Budget Reconciliation Act of 1981 (P.E. 97-35) and a complaint form on which to do so."
11. Section 3.4.2.2 shall be amended by adding the following sentences to the end of the section, "Identification cards must be submitted to **TDMHDD** for prior approval, in accordance with Section 3.4.4. Prior to modifying an approved identification card, the **Contractor** shall submit for approval by **TDMHDD** a detailed description of the proposed modification."
12. Section 3.4.2.4.3 shall be amended by renumbering it 3.4.2.4.5. The new 3.4.2.4.3 shall read, "A notice to **Enrollees** of the right to file a complaint, as is provided for by Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act of 1975, the Age Discrimination Act of 1975, the Omnibus Budget Reconciliation Act of 1981 (P.E. 97-35), and a Contractor phone number for doing so. The notice in the newsletter shall be in English and in Spanish; and"
13. A new Section 3.4.2.4.4 shall be added that reads, "TENnderCare information, including but not limited to, encouragement to obtain screening and other preventive care services; and".



14. Section 3.5.1.2.10 shall be amended to read as follows:

A staff person who is responsible for non-discrimination compliance in accordance with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1975, the Age Discrimination Act of 1975, and the Omnibus Budget Reconciliation Act of 1981 (P.E. 97-35). Non-discrimination compliance need not be the sole function of the designated staff member. The **Contractor** shall identify the designated non-discrimination compliance staff member to **TDMHDD** by name. At such time this function is redirected, the name of the staff member who assumed the duties shall be reported in writing to **TDMHDD** within five (5) business days of the change;

15. Section 3.6.6.1 shall be modified by deleting "quarterly" as it appears twice the section and replacing it with "monthly".

16. A new Section 3.7.2.51 shall be added that reads, "Require the provider to comply and submit to the **Contractor** disclosure of information in accordance with the requirements specified in 42 CFR, Part 455, Subpart B."

17. Section 3.9.1.3 shall be amended by adding a sentence to the end of the section that reads, "The **Contractor** is subject to annual, external independent reviews of the quality outcomes, timeliness of, and access to, the services covered under this CONTRACT."

18. Section 3.10.2, Provider Enrollment Reporting, shall be amended by deleting "quarterly" and replacing it with "monthly" as it appears in the third sentence.

19. Section 3.14, Title VI Information, shall be re-titled "Non-Discrimination Compliance" and the section's paragraph shall be amended to read, "The **Contractor** shall provide instruction on non-discrimination compliance for its staff including, but not limited to, the designated staff person for civil rights, and all direct service subcontractors regarding the procedure. The **Contractor** shall further submit the following to **TDMHDD**:"

20. Section 3.14.4 shall be amended to read, "On a quarterly basis, a listing of all complaints/appeals filed by employees, (when the complaint is related to **TennCare** benefits provided by the **Contractor**) **Enrollees**, providers, and subcontractors in which discrimination is alleged in the **Contractor's TDMHDD Plan**. Such listing shall include, at a minimum, the identity of the complainant, the circumstances of the complaint/appeal, date complaint/appeal filed, the complainant's relationship to the **Contractor**, **Contractor's** resolution, if resolved, and name of **Contractor** staff person responsible for adjudication of complaint/appeal."

21. Section 3.14.7 shall be amended to read, "On an annual basis, the **Contractor's** Title VI Compliance Plan and Assurance of Non-discrimination."

22. Section 4.4.9 shall be amended by changing the reference to "Section 4.4.4" to "Section 4.4.3".

23. The second sentence in Section 4.7.1, Maximum Liability and Allocation of Funds to this Contract, shall be amended to read, "The maximum liability of the State under this CONTRACT shall be one hundred sixty-seven million, eight hundred seventy-five thousand, five hundred fifty-six (167,875,556.00) dollars for the contract period of July 1, 2004 through June 30, 2005; this amount is derived by multiplying estimated enrollment levels by rate cell by the contracted per capita cost by cell."
24. Section 4.7.2, Payment Methodology, shall be amended by changing the third sentence in the first paragraph to read, "The rates in Table 1 shall be applicable from July 1, 2004 through June 30, 2005." The fourth sentence and Table 2 shall be deleted in its entirety and Table 1 shall be amended to read as follows:


**Table 1: Rates**

<b>PAYMENT RATE CATEGORY</b>	<b>PER MEMBER/ PER MONTH RATE</b>
Priority Population age 0-12	\$319.35
Priority Population age 13-17	\$437.07
Priority Population age 18 and above	\$228.15
Non-Priority Population age 0-12	\$4.72
Non-Priority Population age 13-17	\$22.55
Non-Priority Population age 18 and above	\$6.09

25. Section 4.7.2.4 shall be amended by deleting the second "prior to" as it appears twice in the second sentence.
26. Section 5.1.6.3 shall be amended by adding a sentence to the end of the section that reads, "Termination for convenience by the **Contractor** shall not limit **TDMHDD's** ability to exercise exigency in accordance with Section 6.19 of this CONTRACT."
27. Contract citations within the body of the contract affected by contents of this amendment shall be modified accordingly.

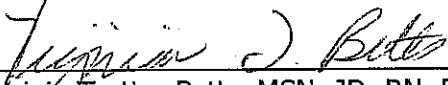
All of the provisions of the original Agreement not specifically deleted or modified herein shall remain in full force and effect. Unless a provision contained in this Amendment specifically indicates a different effective date, for purposes of the provisions contained herein, this Amendment shall become effective, or as of the date it is approved by the U.S. Department of Health and Human Services, Centers for Medicare & Medicaid Services.

IN WITNESS WHEREOF, the parties have by there duly authorized representatives set their signature.

  
\_\_\_\_\_  
Russell C. Petrella, PH.D.  
Vice-President  
Tennessee Behavioral Health, Inc.

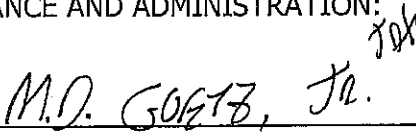
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DATE

TENNESSEE DEPARTMENT OF MENTAL  
HEALTH AND DEVELOPMENTAL DISABILITIES

  
\_\_\_\_\_  
Virginia Trotter Betts, MSN, JD, RN, FAAN  
Commissioner

1/12/05  
\_\_\_\_\_  
DATE

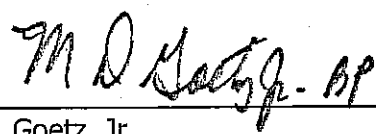
TENNESSEE DEPARTMENT OF  
FINANCE AND ADMINISTRATION:

  
\_\_\_\_\_  
M.D. Goetz, Jr.  
Commissioner

1/27/05  
\_\_\_\_\_  
DATE

APPROVED:

TENNESSEE DEPARTMENT OF  
FINANCE AND ADMINISTRATION:

  
\_\_\_\_\_  
M.D. Goetz, Jr.  
Commissioner

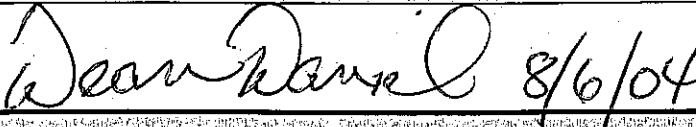
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COMPTROLLER OF TREASURY:

\_\_\_\_\_  
John G. Morgan  
Comptroller of Treasury

\_\_\_\_\_  
DATE

# C O N T R A C T   S U M M A R Y   S H E E T

<b>RFS Number:</b>		318.66-050		<b>Contract Number:</b>		FA-05-16089-20	
<b>State Agency:</b>		Department of Finance and Administration		<b>Division:</b>		Bureau of TennCare	
<b>Contractor</b>				<b>Contractor Identification Number</b>			
Tennessee Behavioral Health, Inc.				V- C-		621621636 01	
<b>Service Description</b>							
Behavioral Health Services to Enrollees in the TennCare Partners Program in Tennessee East Grand Region							
<b>Contract Begin Date</b>				<b>Contract End Date</b>			
07/01/2004				12/31/2005			
<b>Allotment Code</b>	<b>Cost Center</b>	<b>Object Code</b>	<b>Fund</b>	<b>Grant</b>	<b>Grant Code</b>	<b>Subgrant Code</b>	
318.66	133	134	11	X on STARS			
<b>FY</b>	<b>State Funds</b>	<b>Federal Funds</b>	<b>Interdepartmental Funds</b>	<b>Other Funding</b>	<b>Total Contract Amount (including ALL amendments)</b>		
2005	\$61,204,800.00	\$112,216,708.00			\$173,421,508.00		
2006	\$30,602,400.00	\$56,108,354.00			\$86,710,754.00		
<b>Total:</b>	<b>\$91,807,200.00</b>	<b>\$168,325,062.00</b>			<b>\$260,132,262.00</b>		
<b>CFDA #</b>	93.778			<b>Check the box ONLY if the answer is YES:</b>			
<b>State Fiscal Contact</b>				<b>Is the Contractor a SUBRECIPIENT? (per OMB A-133)</b>		<input checked="" type="checkbox"/>	
<b>Name:</b>	Dean Daniel			<b>Is the Contractor a VENDOR? (per OMB A-133)</b>		<input type="checkbox"/>	
<b>Address:</b>	729 Church Street			<b>Is the Fiscal Year Funding STRICTLY LIMITED?</b>		<input type="checkbox"/>	
<b>Phone:</b>	(615) 532-1362			<b>Is the Contractor on STARS?</b>		<input type="checkbox"/>	
<b>Procuring Agency Budget Officer Approval Signature</b>				<b>Is the Contractor's FORM W-9 ATTACHED?</b>		<input type="checkbox"/>	
 8/6/04				<b>Is the Contractors Form W-9 Filed with Accounts?</b>		<input type="checkbox"/>	
<b>COMPLETE FOR ALL AMENDMENTS (only)</b>				<b>Funding Certification</b>			
	<b>Base Contract &amp; Prior Amendments</b>	<b>This Amendment ONLY</b>	Pursuant to T.C.A., Section 9-6-113, I, M. D. Goetz, Jr., Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred.				
<b>END DATE →</b>							
<b>FY:</b>							
<b>FY:</b>							
<b>FY:</b>							
<b>FY:</b>							
<b>Total:</b>							

MANAGEMENT SERVICES  
OFFICE OF  
COMPTROLLER'S OFFICE

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